

## UNITED STATES RAILROAD ADMINISTRATION

W. G. McADOO, Director General of Railroads

## DIVISION OF PUBLIC SERVICE AND ACCOUNTING

WASHINGTON, October 7, 1918.

## ACCOUNTING BULLETIN NO. 8

## CASE No. 1.

*Query:* A loss and damage claim was paid during Federal control. The shipment on which the claim applied moved in a period prior to and during Federal control, but the damage can not be allocated to either period. How shall the amount of the claim be accounted for?

*Answer:* When the damage can be located so as to be clearly applicable to the period prior to Federal control, the amount of the claim, if not previously accrued, shall be charged to the operating expenses under Federal control and accounted for as a lap-over item as provided in General Order No. 17. If the claim resulted from Federal control operations, it shall be charged to operating expenses under Federal control and shall not be considered as a lap-over item. If the shipment moved during both periods, but the exact date of the damage is unlocated, the amount of the claim shall be charged to operating expenses under Federal control, and shall not be considered as a lap-over item.

## CASE No. 2.

*Query:* A freight overcharge on a shipment moving prior to January 1, 1918, is determined and paid in March, 1918. The waybill therefor was included in the carrier's revenue account prior to Federal control. How shall the overcharge be accounted for on the Federal books?

*Answer:* Assuming the payment was accounted for on the Federal books, the amount thereof shall be charged to freight revenue account, and shall be considered and accounted for as a lap-over item.

## CASE No. 3.

*Query:* The North and South Weighing and Inspection Bureau collected from various shippers \$1,500, representing undercharges on freight shipments forwarded by them during the six-month period ended April 30, 1918, and paid the amount to carrier A, which is under Federal control. How shall this amount be disposed of?

*Answer:* The amount paid to carrier A by the collection bureau shall be disposed of as follows:

a. That part of the amount received, applicable to the period prior to January 1, 1918, shall be apportioned to the interested carriers, who will credit the amount apportioned to their lines to freight revenue. Carriers under Federal control will then make the appropriate lap-over journal entries in the Federal and corporate accounts.

b. The proportion of the amount received applicable to the period subsequent to December 31, 1917, shall be separated as between the amounts accruing to carriers under Federal control and those not under such control, and disposed of as follows: The amount due carriers not under Federal control shall be apportioned and reported to them through the usual channels, and the balance shall be credited to freight revenue in the accounts of the collecting carrier without further apportionment.

## CASE No. 4.

*Query:* The Central Railroad, a line under Federal control, constructed a track subsequent to January 1, 1918, in connection with which it received a cash donation. It is likewise receiving similar donations or contributions for additions and betterments work completed prior to January 1, 1918. How should such donations be treated on the Federal books?

*Answer:* Cash or other donations received in aid of construction, or in connection with construction or additions and betterments work done by the Federal administration for account of a carrier corporation, the cost of which is charged to the corporation, should be credited on the Federal books to the account "(Name of Corporation)—Additions and Betterments".

Cash or other donations in aid of construction, or in connection with construction or additions and betterments work, which donations were stated in the corporation accounts as of December 31, 1917, should, if handled through the Federal accounts, when collected or received, be credited to the account "(Name of Corporation)—Assets, December 31, 1917—Collected". If the work was done prior to December 31, 1917, and the donations were not included in the accounts until after that date, the cash or other donations, if handled through the Federal books, should, when collected or received, be credited to the account "(Name of Corporation)—Corporate Transactions."

#### CASE NO. 5.

*Query:* The Central Railroad carried second-hand rail in its material accounts at \$25 per ton. This rail is now being used in additions and betterments work and is being charged to the work at the rate of \$50 per ton, the \$25 additional being credited to operating expenses. Please advise if you approve of this accounting.

*Answer:* The accounting as outlined above is not approved. This rail should be charged to the work at the actual cost thereof or on the basis of the price at which it is carried in the rail stock, plus other appropriate costs. The result of inflating the cost of additions or betterments is to require the corporation to pay \$25 in excess of the amount it should pay, and to require the Director General to pay an interest rate on an inflated sum. The \$25 which is credited to operating expenses, maintenance of way accounts, acts to reduce the amount of maintenance actually applied to the property by the Director General. All entries of the character referred to, affecting additions and betterments during Federal control, shall be adjusted to conform to rules laid down herein.

#### CASE NO. 6.

*Query:* To what account shall be credited the amount representing the profit difference between the book value of second-hand material carried in the material stock as of December 31, 1917, and taken over by the Director General and the receipts from sales from such material in the period subsequent to January 1, 1918?

*Answer:* All profit realized from the sale of material taken over from the corporation by the Director General shall be credited to a profit and loss account to be opened on the Federal books under the title of "miscellaneous credits."

#### CASE NO. 7.

*Query:* An inventory of materials and supplies was taken by the North and South Railroad on April 30, 1918. This inventory was adjusted to December 31, 1917, by deducting the units acquired and adding the units issued since that date, so that the adjusted quantities represented the materials and supplies on hand December 31, 1917. Prices were applied to the inventory, and the total money value of the material was found to be \$10,000 less than the balance in the material and supplies account shown on the corporate general ledger as of December 31, 1917, which balance was transferred to the Federal books as of that date. It was determined that of the amount of the shortage \$5,000 applied to the period prior to January 1, 1918, divided operating expenses \$4,000, additions and betterments \$1,000. That part of the shortage applicable to the period subsequent to December 31, 1917, was apportioned operating expenses \$3,000, additions and betterments \$2,000. How shall the amount representing the shortage now be disposed of in the Federal and corporate books?

*Answer:* The following disposition should be made of the amount representing the shortage:

<i>Federal Books:</i>	<i>Dr.</i>	<i>Cr.</i>
Central R. R. Co.—Materials and supplies, Dec. 31, 1917.....	\$5,000	
Central R. R. Co.—Additions and betterments.....	2,000	
Operating expenses.....	7,000	
Additions and betterments (clearance).....	1,000	
Materials and supplies.....		\$10,000
Expenses prior to January 1, 1918.....		4,000
Additions and betterments (clearance).....		1,000
<i>Corporate Books:</i>		
Additions and betterments.....	3,000	
Expenses prior to January 1, 1918.....	4,000	
U. S. Govt.—Materials and supplies, Dec. 31, 1917.....		5,000
U. S. Govt.—Additions and betterments.....		2,000

C. A. PROUTY,

*Director.*

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**UNITED STATES RAILROAD ADMINISTRATION**  
**DIRECTOR GENERAL OF RAILROADS**

DIVISION OF ACCOUNTING UNIVERSITY OF ILLINOIS LIB 119

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**ACCOUNTING CIRCULAR NO. 74**

WASHINGTON, D. C., *February 20, 1919.*

1. Army regulations forbid the payment of transportation charges on a shipment covered by a Government bill of lading when a part or all of the shipment has been lost or damaged, until such loss or damage has been adjusted.

2. In order to avoid delay in settlement of accounts for transportation of War Department material and supplies, the following plan will be made effective immediately.

3. The Transportation and Telegraph Section, Quartermaster Branch, Central Disbursing Division, Office of Director of Finance, is authorized by the Railroad Administration to deduct the amount of any claim for loss or damage from the freight charges due in connection with a bill of lading covering the shipment, a part or all of which has been lost or damaged. Under this arrangement, however, no deduction will be permitted from transportation charges due on other shipments.

4. When payment is made by the Quartermaster's Department there will be forwarded a statement explaining the deductions, and a claim will be presented for investigation by the carrier. If such investigation develops no liability on the part of the carrier supplemental bill for the amount deducted in previous settlement will be paid.

5. The War Department in presenting claim will give all available data regarding the loss and damage in lieu of forms and documents required by paragraph 2 of General Order No. 41.

6. This plan supersedes any arrangements which may have been entered into by individual carriers.

C. A. PROUTY,  
*Director.*





UNITED STATES RAILROAD ADMINISTRATION  
DIRECTOR GENERAL OF RAILROADS  
DIVISION OF ACCOUNTING  
ACCOUNTING CIRCULAR NO. 82

WASHINGTON, March 20, 1919.

P. S. & A. Circular No. 63 was issued for the purpose of instructing Federal Auditors to close certain accounts on the Federal books to an account styled "Administration Ledger Control Account." There are balances in accounts with the Corporation and other accounts on the Federal books that Federal Auditors can not definitely dispose of, and it is therefore proposed to similarly close those accounts to the account styled "Administration Ledger Control Account." To that end the following information and instructions are issued:

Beginning with the closing of the accounts for the month of March, 1919, an accounting system or plan will be inaugurated which will affect certain accounts on the Federal books of carriers federally operated and create accounts on the Administration books at Washington, D. C., so that the latter will thereafter monthly reflect the income, profit and loss, and all assets and liabilities of the United States Railroad Administration, including—

- (a) The results of operation of all federally operated lines.
- (b) The aggregate assets and liabilities of federally operated lines.
- (c) The status of all financial transactions between the United States Railroad Administration and carrier corporations whose properties are federally operated.

Where the term Administration books is referred to herein, it means those books maintained by the Division of Accounting of the United States Railroad Administration at Washington, D. C. The term Federal books used herein refers to those books maintained under the jurisdiction of the Federal Auditor.

It is proposed to have the accounts on the Administration books show the aggregate income and profit and loss accounts of federally operated carriers, but it is not intended to close such items on the Federal books to the Administration books through the account Administration Ledger Control Account until the month of December of each year. The aggregate Income and Profit and Loss, as disclosed by the reports hereinafter referred to, will be expressed on the Administration books at Washington, D. C. Concurrently the same amount will be entered in an account to represent the Federal books, but no entry, except that authorized to be made annually by P. S. & A. Circular No. 63, will be made by Federal Auditors transferring monthly in the ledger net income to profit and loss and profit and loss balance to Administration Ledger Control Account. Instead the net income and profit and loss as disclosed by the difference between columns 8 and 9 of Form AC-515 will be shown as carried to Administration Ledger Control Account on the monthly balance sheet in the following manner:

Administration Ledger Control Account—

Balance Administration Ledger Control Account from ledger.....	\$.....
Net Income, profit and loss since December 31, 19— (net columns 8 and 9, Form AC-515).....	\$.....
Total.....	\$.....

The Administration Ledger Control Account will reflect among other things the net difference between the remaining assets and liabilities on the Federal books, but it is not intended to close out such remaining assets and liabilities on the Federal books, instead it is proposed to have such accounts remain thereon.

Beginning with the closing of the accounts for the month of March, 1919, the balances carried on the Federal books in the authorized accounts, prefixed with the name of the corporation, and other accounts hereafter mentioned, shall be closed to the account Administration Ledger Control Account, and thereafter amounts properly includable in such accounts shall be carried thereto, but at the close of each month and before stating the trial balance the monthly balances in such accounts shall be transferred to the account Administration Ledger Control Account. A copy of the journal entry showing the transfer of all items to the Administration Ledger Control Account shall in all instances be inclosed and forwarded to the undersigned with balance-sheet statement for the month. The form on which the entry shall be prepared shall be similar to Form AC-512, which is made a part hereof.

When copies of such entries are received, the balances in the accounts reported thereon will, if correct, be included on the Administration books, so that the latter will disclose separately for each carrier the amount in each of the accounts transferred. It is not the intention to have Federal Auditors when making up journal entries for this office reverse their closing entries as is sometimes done. Such action will be taken when stating the accounts on the Administration books.

It is recognized that certain accounts prefixed with the name of the corporation will not contain any transactions other than the original entries creating the account, such as "Cash December 31, 1917," or "Agents and conductors' balances December 31, 1917"; therefore the instructions relative to the accounts to be closed monthly apply only to those accounts which are subject to change.

The list of accounts due to or from the corporation and other accounts to be closed in the first entry to the Administration Ledger Control Account in accordance with the foregoing is as follows:

#### ACCOUNTS DUE TO OR FROM THE CORPORATION.

- (1) Name of corporation.....Cash December 31, 1917.
- (2) Name of corporation.....Cash subsequent to December 31, 1917.
- (3) Name of corporation.....Agents and conductors' balances December 31, 1917.
- (4) Name of corporation.....Assets December 31, 1917, collected.
- (5) Name of corporation.....Corporate transactions or corporate income transactions.
- (6) Name of corporation.....Revenue prior to January 1, 1918.
- (7) Name of corporation.....Expense prior to January 1, 1918.
- (8) Name of corporation.....Liabilities December 31, 1917, paid.
- (9) Name of corporation.....Additions and betterments.
- (10) Name of corporation.....Any other accounts, the authority for which has been given in writing by the undersigned.

It is positively forbidden to close to the Administration Ledger Control Account balances in any other accounts with the corporation that have not been authorized or are now carried in accounts with the corporation under titles other than have been authorized. If such balances are carried, authority must first be obtained from the undersigned to have them included in any of the accounts transferred to the account Administration Ledger Control Account.

The amount in the account "Name of corporation—Additions and betterments" shall represent the amount due from the corporation for additions and betterments, the work on which was done subsequent to December 31, 1917. It shall not include any amounts representing expenditures for labor and material applied prior to January 1, 1918, nor shall it include credits representing equipment retired or road property retired and not replaced.

The other accounts, the March balances of which are to be closed to Administration Ledger Control Account, and the debits and credits to which are thereafter to be monthly closed to Administration Ledger Control Account, are:

1. Name of corporation—Material and supplies December 31, 1917.
2. Accrued depreciation.
  - A. Road.
  - B. Equipment.
3. Name of corporation—Equipment retired.
4. Road property retired and not replaced.

The accounts included as No. 2 are those representing depreciation accrued subsequent to December 31, 1917, less charges thereto on account of road or equipment retired. If road or equipment is retired subsequent to the transfer of depreciation balances to the account Administration Ledger Control Account, the debit to the account representing accrued depreciation since December 31, 1917, shall be charged as heretofore, notwithstanding the amount of the credit may be insufficient to absorb the charge and the balance at the end of the month, either debit or credit, shall be closed to Administration Ledger Control Account.

Account No. 4, "Road property retired and not replaced," is raised to represent the cost, book or other approved value of road property retired during Federal control and not replaced, less depreciation, if any, to December 31, 1917, accrued on the corporation books. If such retirements have been credited to the account "Name of corporation—Additions and betterments," Federal Auditors shall immediately adjust their accounts to January 1, 1918, so as to state the full credit to this account.

P. S. & A. Circular No. 55, "Settlement of Accounts with Corporation," refers to the Administration Ledger Control Account and provides that this account shall be stated as a separate item on the balance sheet under Account No. 727, "Other Unadjusted Debits," or Account No. 778, "Other Unadjusted Credits." This provision and the similar provision in Accounting Circular No. 73 (Revised) is now modified so that the account shall be shown last on Form AC-515, "Trial Balance Statement," and on the balance sheet where "Profit and loss—Balance" was formerly shown.

An amount representing the net balance in the cumulative income and profit and loss accounts as disclosed by the difference between columns 8 and 9 of Form AC-515 shall be stated therein to balance the two columns, a contra entry being made in column 5 or 6 to balance those two columns. The amount so inserted on the trial balance shall not be closed on the Federal ledger until after the close of the accounts for the calendar year.

To perfect the system of control accounts it is necessary, in addition to the data called for herein, to have information which has already been requested in previous circulars. Reference to the P. S. & A. or accounting circular in which instructions relative thereto are contained follows:

Monthly balance sheet—Accounting Circular No. 73 (Revised).

Classified monthly trial balance—Accounting Circular No. 73 (Revised).

Income account and profit and loss account—Accounting Circular No. 73 (Revised).



Statement of charges and credits to the Administration Ledger Control Account—Accounting Circular No. 73 (Revised).

Monthly statement of open accounts with the Corporation—Accounting Circular No. 73 (Revised). The statement of open accounts with the corporation need not be submitted after furnishing the report for the month of February, 1919.

In addition to the statement of the accumulated income account and profit and loss account for the period referred to above, there shall be furnished a statement on letter-size sheets showing income and profit and loss items for the month for which report is made, classified according to the form of income and profit and loss statements included in the annual report to the Interstate Commerce Commission. If desired, the reports for the month and for the period may be made on the same statement.

The statements by primary and general accounts requested by paragraph 2 of P. S. & A. Circular 59-A shall be furnished to support the amounts reported for Account 501 (Railway Operating Revenues) and Account 531 (Railway Operating Expenses) for the period and for the month.

Notwithstanding the greater part of the open accounts with the corporation will be transferred here with the closing of the Federal books for March, 1919, the provisions of P. S. & A. Circular No. 55 shall, until further notice, be complied with as if no transfers had been made to the Administration Ledger Control Account.

There has been designed and made a part hereof Form AC-512, "Transfer Journal Entry." Federal Auditors in submitting copies of entries showing transfers of amounts to the Administration Ledger Control Account shall prepare such copies on forms similar to Form AC-512. There has also been designed and made a part hereof Form AC-512A, "Analysis Administration Ledger Control Account," upon which should be reported monthly the character and amount of charges and credits entering into the above named account for the month.

Where the dates December 31, 1917, and January 1, 1918, are hereinbefore mentioned, they refer to the accounts of carriers whose Federal operations began January 1, 1918. In the event carriers were taken under Federal control subsequent to December 31, 1917, the dates that corporate operations ended and Federal control operations began, shall be substituted in lieu of December 31, 1917, and January 1, 1918, in applying the provisions of this circular.

Fasten all reports forwarded in response to this circular together at the upper left-hand corner with a McGill fastener and washer or other similar fastener.

C. A. PROUTY, *Director.*

## UNITED STATES RAILROAD ADMINISTRATION.

DIRECTOR GENERAL OF RAILROADS.

### TRANSFER JOURNAL ENTRY TO ADMINISTRATION LEDGER CONTROL ACCOUNT.

Mr. C. A. PROUTY,

*Director Division of Accounting, Washington, D. C.*

DEAR SIR: The following journal entry has been included in the accounts of the.....19.....\*

R. R. for the month of....., closing the balances in the accounts with the.....  
Corporation stated below to the Administration books through the account Administration Ledger Control Account:

SECTION A.—NAME OF ACCOUNT.	Debit.	Credit.
Administration Ledger Control Account.....		

The balances in the accounts the transfer of which is authorized prior to posting journal entry above were as follows:

SECTION B.—NAME OF ACCOUNT.	Debit.	Credit.

(Signature Federal Accounting Officer.)

(Title.)

\*This should be steamship line, canal, etc., in case of operations other than railroad.

*Remarks.*—The accounts and amounts in Section B are to be as carried on the ledger. The debit amounts necessarily will be credits in A and the credits in B will be debits in A. Where the amounts of same accounts in A and B are different, explain difference on reverse side thereof.

FORM AC-512. (Size 8x10½.)

UNITED STATES RAILROAD ADMINISTRATION.  
DIRECTOR GENERAL OF RAILROADS.  
ANALYSIS ADMINISTRATION LEDGER CONTROL ACCOUNT.  
.....Railroad.\*

19

MR. C. A. PROUTY,  
*Director Division of Accounting, Washington, D. C.*

DEAR SIR: Hereunder is a statement of the items comprising the balance in Administration Ledger Control Account for month ending.....

	Debit.	Credit.
Ledger balance at beginning of month.....		
Cash transferred to Administration Treasurer during the month.....		
Estimated express revenue taken into account for the month.....		
Government transportation credits for the month per advice from Auditor U. S. R. R. A.....		
(If more than one notice received, give details on back.)		
Balance in open accounts transferred as per Form AC-512.....		
Cash advanced by Administration Treasurer during the month.....		
Balance.....		
TOTALS.....		
**Balance brought down.....		
Net income, profit and loss balance this year to beginning of month..... \$.....		
Net income, profit and loss for the month..... \$.....		
***Total net income, profit and loss for the period per trial balance statement (net columns 8 and 9).....		
Balance (amount shown on balance sheet in Administration Ledger Control Account).....		
TOTALS.....		

\*This should be steamship line, canal, etc., in case of operations other than railroad.

\*\*This should correspond with ledger balance at close of the month for which report is made.

\*\*\*Except for the month of December account this amount will not be included in the Administration Ledger Control Account in the General Ledger. It should correspond to the net difference between columns 8 and 9 of the trial balance statement Form AC-515. (See instructions page 1 hereof.)

FORM AC-512A. (Size 8x10½.)



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**UNITED STATES RAILROAD ADMINISTRATION**  
**DIRECTOR GENERAL OF RAILROADS**

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**DIVISION OF ACCOUNTING**

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**ACCOUNTING CIRCULAR NO. 83**

WASHINGTON, *March 20, 1919.*

Effective at once, the Navy and War Departments will pay to the Treasurer of the United States Railroad Administration at Washington, D. C., all amounts due to federally operated railroads for the transportation of men and property covered by bills rendered by such railroads to the Navy and War Departments. No such amounts will hereafter be paid to Federal Treasurers by the Navy or War Department whether covered by bills already presented or bills which will later be rendered.

When bills for the transportation of men and property are audited by the Navy or War Department and payment is made to the Treasurer of the United States Railroad Administration as aforesaid, there will be issued by the Auditor of the United States Railroad Administration to the Federal Auditor of the appropriate road a credit advice, which will show reference to the bill audited, the amount thereof, and stating the month's accounts in which the amount shall be transferred to the account entitled "Administration Ledger Control Account." The Federal Auditor shall thereupon transfer the amount from the asset account in which it is included to the Administration ledger control account and include the amount in the analysis of that account as provided for that class of items in P. S. & A. Circulars No. 63 and No. 73 (Revised).

The bills for the transportation of men and property shall be promptly and accurately rendered by federally operated roads and charged to the Navy or War Department as heretofore. All correspondence regarding the correctness of such bills or portions thereof will be conducted by the Navy or War Department with each such road. Any adjustment made by the Navy or War Department will be included in the advices furnished by the Administration Auditor, so that the accounts of the road presenting such bill may be corrected in accordance therewith.

Unless and until further advised, bills presented to other Government departments will be settled as heretofore.

As a result of this change in practice, it will be no longer necessary for settling carriers to withhold apportionment of interline passenger and freight revenues due from these departments. Such revenues should be included in current months' reports and settlements accomplished in the same manner as for commercial traffic.

C. A. PROUTY,  
*Director.*



**UNITED STATES RAILROAD ADMINISTRATION**  
**DIRECTOR GENERAL OF RAILROADS**

**DIVISION OF ACCOUNTING**

**ACCOUNTING CIRCULAR NO. 84**

WASHINGTON, *March 21, 1919.*

The War Revenue Act of October 3, 1917, providing for collection of war taxes on the use of facilities furnished by carriers of persons and property has been amended and Section 500, Paragraph A, which is effective April 1, 1919, now provides:

That from and after April 1, 1919, there shall be levied, assessed, collected, and paid in lieu of the taxes imposed by Section 500 of the Revenue Act of 1917, (a) a tax equivalent to three per centum of the amount paid for the transportation on and after such date by rail or water or by any form of mechanical motor power when in competition with carriers by rail or water of property by freight transported from one point in the United States to another; and a like tax on the amount paid for such transportation within the United States of property transported from a point without the United States to a point within the United States.

In order that carriers may collect the war tax on the transportation within the United States of property transported from a point without the United States to a point within the United States, carriers receiving shipments at ports of entry or border points will place on waybill at port of entry, border point, or at a transfer point most convenient to port of entry or border point the necessary information to enable destination carriers to collect the proper war tax. This information should be shown by using a rubber stamp, size 1 by 1½ inches, placed in lading column of waybill, reading as follows:

<p><b>IMPORT TRAFFIC</b></p> <p><b>Division of transportation charges</b></p> <p><b>Fgn.</b></p> <p><b>U. S.</b></p>
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The amount shown opposite "Fgn." should be the proportion of transportation charges based on established divisions that accrue to carriers outside of the United States and is not subject to war tax. The amount shown opposite "U. S." should be the proportion of transportation charges based on established divisions that accrue to carriers within the United States and is subject to the war tax; provided, however, that in any cases where there are no established divisions of through rates on shipments received via all rail from Canadian points, the transportation charges within the United States may be determined on a mileage basis; then in all such cases the mileage without the United States should be placed after "Fgn." thus: "Fgn. miles," and the mileage within the United States placed after "U. S." thus: "U. S. miles." In all such cases the destination carrier at time transportation charges are collected shall make a mileage pro rate of the transportation charges and collect war tax on such proportion as is allocated for the transportation within the United States.



If any shipment transported from a point without the United States to a point within the United States is reconsigned after leaving port of entry or border point, the destination carrier must see that the proper proportions of transportation according to new destination are determined and used in collecting war tax.

Any transportation charges that accrue within the United States in addition to through freight charges should not be included in amounts divided as herein described, but should be treated as transportation charges within the United States and tax collected accordingly.

The taxes due under Section 500, Paragraph A, shall be collected as and when the transportation charges thereon are collected if such charges be collected within the United States. If such charges be prepaid outside the United States and not paid at port of entry, such tax shall be collected on delivery of the consignment.

If in any cases the carrier receiving shipments at port of entry or border point fail to place on the waybill the information necessary to determine the transportation within the United States, the destination carrier should determine the proper proportions and assess and collect war tax accordingly.

All other features of the Act, Section 500, Paragraph A, with respect to assessments and collection of the tax on transportation of property are covered by Regulations No. 42, issued by Commissioner of Internal Revenue on March 18, 1918, proscribing rules and regulations for collection of taxes on transportation of persons and property.

Carriers receiving shipments at ports of entry or border points on which the transportation charges will be taxed as herein described should make such arrangements as will insure that their instructions be followed as of April 1, 1919.

C. A. PROUTY,  
*Director.*